

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

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E.O. 11652: N/A

TAGS: PFOR, SW

SUBJECT: SALE OF U.S. EQUIPMENT TO SWEDISH DEFENSE

REF: STOCKHOLM 5009

TRANSMITTED HERewith ARE TRANSLATIONS OF TWO STORIES
APPEARING IN SVENSKA DAGBLADET ON SUBJECT AFFAIR.

1. HEADLINE: "SECRET DOCUMENTS TO BE INVESTIGATED
BY THE POLICE."

"IF COPIES OF SECRET-STAMPED DOCUMENTS FROM THE RIKSBANK
APPEAR IN CONNECTION WITH PUBLICATION OF THE STORY ABOUT
THE TRANSFER OF A MILLION TO THE AMERICAN GENERAL, THEN
THIS WILL MOST LIKELY BE THE SUBJECT OF AN INVESTIGATION
BY THE POLICE AS WELL AS BY THE ATTORNEY GENRAL.
THE NEXT ISSUE OF FOLKET I BILD/KULTURFRONT CONTAINS AMONG
OTHER THINGS REPRINTS OF SECRET DOCUMENTS FROM THE BANK
OF SWEDEN. IHE ACCOMPANTING TEXT IT ALSO ASSERTED
THAT THE DOCUMENTS ARE CLASSIFIED SECRET. THE ATTORNEY
GENERAL INGVAR GULLNAS TELLS SVD THAT HE PERSONALLY HAS
NOT SEEN THE COPIES. "I HAVE READ IN THE DAILY PAPERS
ABOUT THE AFFAIR TODAY AND I HAVE ALSO HAD SOME
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INFORMATION IN ADDITION TO THAT." "IF IT IS A MATTER

OF COPIES OF SECRET DOCUMENTS, THEN THE POLICE OR THE ATTORNEY GENERAL WILL HAVE TO INVESTIGATE TO SEE WHETHER ANY OFFICIAL HAS HANDED OVER SECRET MATERIAL IN VIOLATION OF THE SECRETS ACTS."

VIOLATION OF THE PRESS LAWS

IF THE DOCUMENTS HAVE BEEN PUBLISHED, THE QUESTION OF A VIOLATION OF THE PRESS LAWS COMES UP. "IN THAT CASE, THE MATTER WILL LAND ON MY DESK AUTOMATICALLY, SINCE I AM THE SOLE PROSECUTOR IN MATTERS CONCERNING THE PRESS LAWS. THE INVESTIGATION ABOUT WHO HAS GIVEN OUT THE DOCUMENTS WILL THEN HAVE TO BE TAKEN OVER BY THE POLICE."

THE POLICE WILL THEN HAVE THE TASK OF INVESTIGATING WHETHER ANY OFFICIAL AT THE BANK OF SWEDEN HAS FAILED HIS OFFICIAL DUTY GIVING OUT SECRET-STAMPED MATERIAL, IF THE POLICE CAN CLARIFY WHO IS GUILTY, DUE MEASURES WILL THEN BE TAKEN AGAINST THIS PERSON. THEN IT IS THE TASK OF THE ATTORNEY GENERAL TO CONSIDER A SUIT AGAINST THE MAGAZINE AND ITS PUBLISHER. "IN SUCH A CASE THERE PROBABLY WILL BE SOME PROBLEMS SINCE THE LAW EXPERTS HAVE DIFFERENT OPINIONS AS TO WHETHER IT IS A CRIMINAL OFFENSE TO PUBLISH SECRET DOCUMENTS."

2. REPORT BY PAPER'S WASHINGTON CORRESPONDENT UNDER HEADING: "PAYMENT WAS ATTEMPT TO EVADE EXPORT EMBARGO."

"WASHINGTON - THE NEWS ABOUT SWEDISH PAYMENTS TO THE U.S. AIR FORCE WAS ONE OF THE MAJOR NEWS ITEMS IN THE TUESDAY MORNING TELEVISION NEWS PROGRAMS. MAJOR GENERAL ROCKLY TRIANTAFELLU, NOW RETIRED, SAID MONDAY NIGHT TO THE WASHINGTON POST THAT THE INFORMATION IN FOLKET I BILD KULTURFRONT "BY AND LARGE" WAS CORRECT AS REGARDS THE TRANSFER OF MONEY FROM STOCKHOLM TO THE PENTAGON. TRIANTAFELLU, HOWEVER, IS OF THE OPINION THAT THIS "SMALL TRANSACTION" CAN BE EXPLAINED IN A SATISFACTORY WAY. EXPORT EMBARGO

PER ASBRINK, THE FORMER DIRECTOR OF THE CENTRAL BANK, NOW WITH THE INTERNATIONAL MONETARY FUND, SAYS THAT HE CANNOT POSSIBLY REMEMBER SUCH A SMALL TRANSFER OF MONEY LIKE 250,000 DOLLARS FROM SWEDEN TO THE U.S. HE ALSO FINDS IT QUITE NATURAL IF SVEN ANDERSSON, THE FOREIGN MINISTER, CAN ONLY REMEMBER THAT THE PAYMENT WAS INTENDED FOR UNCLASSIFIED

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ELECTRONIC EQUIPMENT PURCHASED BY SWEDEN. ACCORDING TO SOURCES WANTING TO BE ANONYMOUS THE WHOLE TRANSACTION MAY HAVE ITS ORIGIN IN THE PREVIOUSLY VERY TOUGH AMERICAN EXPORT EMBARGO POLICIES REGARDING SO-CALLED STRATEGIC MATERIALS-REGULATIONS THAT HAVE LATELY BEEN EASED. THE ORIGINAL EMBARGO THEREFORE MADE IT IMPOSSIBLE FOR SWEDEN TO PURCHASE ADVANCED ELECTRONIC EQUIPMENT FROM THE US. SECRET DEAL

ACCORDING TO SOME SPOKESMEN THIS FACT MAY HAVE BEEN THE REASON WHY A SECRET DEAL BETWEEN THE US AND SWEDEN WAS AGREED UPON IN ORDER TO MAKE IT POSSIBLE FOR THE SWEDISH AIR FORCE TO GET ELECTRONIC EQUIPMENT NOT PRODUCED IN OUR COUNTRY. THE PROBLEM COULD OBVIOUSLY BE SOLVED IF SWEDEN TAMPERED A LITTLE WITH ITS NEUTRALITY AND IF THE U.S. DISREGARDED CERTAIN DEVIATIONS FROM THE EXPORT EMBARGO ON STRATEGIC COMMODITIES. BOTH SWEDEN AND THE US THEREFORE AGREED THAT THE TRANSFER OF CERTAIN ADVANCED ELECTRONIC EQUIPMENT SHOULD BE KEPT SECRET.

HOW THE TRANSFER OF MONEY HAS BEEN CARRIED OUT IS NOT QUITE CLEAR. A PERSON WHO REGARDS HIMSELF AS WELL INFORMED ABOUT WHAT TOOK PLACE CONFIRMS THAT THE PAYMENT FOR THE PURCHASED EQUIPMENT WAS HANDED OVER TO THE AMERICAN AIR FORCE ATTACHE IN STOCKHOLM. THE CENTRAL BANK HAD ALSO GRANTED PERMISSION FOR THE THE TRANSFER OF THE NECESSARY FUNDS.

ACCORDING TO JAN GUILLOU, ONE CONDITION FOR THE TRANSACTION WAS THAT IT SHOULD BE HANDLED IN SUCH A WAY THAT THE MONEY COULD NOT BE TRACED TO ANY OPEN ACCOUNT IN SWEDEN, AND THEREFORE IT WAS TRANSFERRED TO THE US IN THE FORM OF BILLS.

NOBODY IN THE PENTAGON WILL CONFIRM ANYTHING ABOUT HOW THE SWEDISH PAYMENTS WERE CARRIED OUT."

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